

**CONTRACT FOR THE PROVISION OF A STRATEGIC COMMUNICATIONS  
CAMPAIGN FOR**

**8 JULY 2011 – 7 JANUARY 2011**

BETWEEN

[REDACTED]  
British Virgin Islands

AND

[REDACTED]  
Seychelles

**1 EXECUTIVE SUMMARY**

- 1.1 The Contractor and the Client agree that they will begin a long-term collaboration with an initial 6-month Agreement for the Contractor to provide strategic communications services.
- 1.2 The campaign will be aimed at media, decision-makers, think tanks and business and political leaders in Europe and the United States.

**2 TERM**

- 2.1 This agreement runs for six months, from 8 July 2011 to 7 January 2012.
- 2.2 The agreement will be automatically renewed for a further twelve months as from 8 January 2012 subject to two key conditions: First, that the Client is pleased with the Contractor's work, and agrees and formalizes in a meeting within 30 days before expiry of the first 6 months the set of objectives for the next 12 months covering calendar year 2012, and second, that the new budget and financial conditions for the 2012 calendar period are agreed and signed by December 15, 2011.

### **3 SCOPE OF WORK**

- To generate US and European online, TV and print media coverage that focuses on what is happening in the country today. Currently, instead of reporting the changes occurring under VY, the western media usually focuses on what is not occurring or on negative stories promoted by former PM Tymoshenko. We will try to begin, in the coming months, to provide more balanced coverage and counter negative perceptions.
- In substantive terms, we will focus during the last 6 months of 2011 on the implementation of reforms and the beginning of western investment of a serious nature. The EU DCFTA negotiations will be a key theme, as will be the IMF agreement that will continue to be successfully implemented and the important macro and fiscal reforms that are being put in place in order to help modernize Ukraine's economy.
- Our most urgent priority will be to launch online coverage that can be bounced back into the Ukraine that tells the true story of Tymoshenko, as opposed to negative coverage as at present. This can be termed "deconstruction" activity. In this context we will organize a daily news summary of activity in the Tymoshenko trial that will be blast e-mailed to targeted audiences in Europe and the US.
- Our other top priority will be to focus on the VY's drive for closer ties to the EU, including the Council of Europe activities, and the economy. This can be termed "positive projection" activity.
- The goal of the programme with is to educate the western media, expand the media awareness of what is really happening and establish mechanisms to maintain a constant flow of information into Europe and the US. Thus, the key objectives for the initial programme center on building a new cadre of educated and knowledgeable reporters in western Europe, organizing a flow of information to Brussels and Washington. This will include building a blog network that will be balanced in its commentary and interacting with current Ukrainian blogs to inject accurate information.
- We do not expect to achieve all of the above goals in the scope of work in just 6 months. We do expect to begin to change perceptions, but we are facing strong and negative headwinds, so we wish to agree that the first six months will be the foundation from which we will build a longer term communications strategy that will incorporate the other tools of the proposal. However, our initial focus should be on the print/electronic media and blogs that cover important current events. This coverage can be managed consistent with a strategy that is the basis for the agenda of VY.

### **4 GOALS**

- 4.1 Promote the image of VY as a reformer and successful President.
- 4.2 Promote reforms being implemented in Ukraine with focus on economic reforms, anti-corruption reforms and democratic reforms (new election law, Public documents law, etc) and compare Ukraine initiatives with western governments/NGO requirements.
- 4.3 Re-position Tymoshenko's image in Europe from European democrat to populist, failed politician with little domestic support (squandered opportunities for reforms and democratic values), and someone that needs to be held accountable for her actions (in this context the criminal trial needs to be carefully explained).
- 4.4 Position VY vis-a-vis Russia (holding firm against Russian imperial aims for Ukraine) and Europe (committed to finalizing the agreements with EU to bring Ukraine into the European sphere).
- 4.5 Focus on activity related to Ukraine's Independence Day – build media components around this day, which has profound meaning to Ukrainians.

## **5 AGREED DELIVERABLES**

- 5.1 Strategic Media Advisory and PR and editorial monthly retainer work: Print/electronic media coverage in Europe and US. Establish system to provide information, educate reporters and generate more accurate news stories, pitch stories for TV and print. Creation and generation of a daily news summary of key activity in Ukraine, centered on the Tymoshenko trial.
- 5.2 Digital monthly retainer work: On-line media strategy – 24/7 focus (all goals and themes) - build and manage; interact with Ukrainian blogs.
- 5.3 Specific guaranteed TV reports: World Business editorial news features (reforms/Ukraine and Europe/Russia)
- 5.4 Guaranteed Airline Distribution – to reflect and mirror TV news reports, on 30 USA, European, Middle Eastern and Asian Airlines and also on Ukraine International Airlines.

## **6 FEES, EXPENSES AND PAYMENT TERMS**

- 6.1 The Contractor shall charge the Client a total fee of €1,300,000 (one million, three hundred thousand euro), which allowing for a one-time

introductory discount of 10%, comes to a net fee to be paid of €1,170,000 (one million, one hundred and seventy thousand euro).

6.2 Fees charged shall be exclusive of all travel costs and accommodation expenses incurred by staff in performing the work under this agreement. The Client shall pay the fee described over the 6 month periods in 6.1 as follows:

- 50% (EUR 585,000) within 7 days of signing this agreement,
- 25% (EUR 292,500) by 15 October 2011
- 25% (EUR 292,500) by 15 December 2011
- Travel-related expenses within 30 days of receipt of invoices.

6.3 A breakdown of the fees is set out in the Budget Breakdown in Appendix A.

6.4 Payments shall be made by bank transfer to:

ACCOUNT NAME: [REDACTED] (BVI) LTD

BANK: [REDACTED] ZURICH

ADDRESS:

[REDACTED]

SWIFT:

ACCOUNT NO:

IBAN: [REDACTED] (EUR)

## 7 COPYRIGHT AND FORMAT RIGHTS

7.1 The parties agree that all copyright and other rights in and to the format the televisual production and all other constituent elements thereof are owned by the Contractor to meet U.K. regulatory obligations and to meet the terms and conditions of our contract obligations with its broadcast partners.

## 8 WARRANTIES

8.1 The Contractor hereby warrants to the Client that it has full power and authority to enter into this Agreement.

8.2 The Client hereby warrants to the Contractor that it has full power and authority to enter into this Agreement.

**9 TERMINATION**

- 9.1 Either party may terminate this Agreement by written notice to the other if the other party is in breach of a material obligation under this Agreement and fails to remedy such breach within 120 days of notice requiring it to do so.
- 9.2 Any termination pursuant to paragraph 6.1 shall be without prejudice to any obligations or rights hereunder which have accrued to either party at the date of termination, and for the avoidance of doubt, the Client shall be obliged to pay to the Contractor all costs and expenses which have accrued, incurred or committed to at the date of any such notice to cease. The Contractor shall provide documentation supporting all expenditures for review and agreement by the Client prior to any such payment. If the amount paid by the Client exceeds The Contractor's costs and expenses, the Contractor shall within twenty-one days of the Client's notification about termination of this Agreement pay the Client the specified difference.

**10 FORCE MAJEURE**

- 10.1 Neither party shall not be in breach of this Agreement or otherwise liable for any delay in performance or any failure to perform any of its obligations under this Agreement if and to the extent that the delay or failure is due to circumstances beyond its reasonable control including, without limitation, flood, fire, earthquake, failure or non-delivery of sub-contractors or programme suppliers, riots, industrial disputes, legal enactment, government order or regulation.

**11 CONFIDENTIALITY**

- 11.1 Each party shall keep the existence and terms of this Agreement and any other confidential information relating to the other party strictly confidential.

**12 VAT / WITHHOLDINGS**

- 12.1 In the event that the Client is required, pursuant to any applicable present or future law, rule or regulation of any competent governmental or other administrative body, to make any deduction or withholding in respect of tax for any amount or amounts payable to The Contractor under this Agreement, the Client shall pay to the Contractor an additional amount as will, after the deduction or withholding has been made, leave the Contractor with the same amount as it would have been entitled to receive in the absence of any such requirement to make a deduction or withholding; promptly pay to the relevant taxation authority within the period permitted by law the amount of such withholding or deduction; and provide the Contractor with written evidence (including certification where appropriate) that it has made the payment to the relevant taxation authority.

**13 GENERAL AND OTHER**

- 13.1 The Contractor shall be entitled to assign its rights and obligations under this Agreement at any time to any other company controlled by the Contractor
- 13.2 The Contractor shall be entitled to assign its rights and obligations under this Agreement at any time to any other company controlling or controlled by the Contractor (of which the company is a part).
- 13.3 This Agreement shall be governed by English law and the parties shall submit to the exclusive jurisdiction of the English courts in respect of any dispute relating to this Agreement.

**IN WITNESS WHEREOF** the parties have executed this Agreement on the date below.

Signed this 8th day of July 2011

On behalf of the Contractor

On behalf of the Client

BY

BY

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Signature

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Signature

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Name

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Name

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Position

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Position

**Appendix A:****DETAILED BUDGET BREAKDOWN****8 July 2011 – 7 January 2012**

		<b>EUR</b>
1	<u>Strategic Media Advisory retainer</u> €50,000 per month for 6 months	300,000
2	<u>Online Media Strategy</u> €120,000 retainer per month for 6 months	720,000
3	<u>TV Editorial News Channel Reports</u> 2 at €90,000 each	180,000
4	<u>Airline Distribution of World Business</u> 2 at €50,000 each	100,000
<b>Total value</b>		<b><u>€1,300,000</u></b>
<u>Minus one-time-only 10% introductory discount (for 6 months only)</u>		
<b>Contract total*</b>		<b><u>€1,170,000</u></b>

\*Staff travel and lodging expenses are billed extra. Costs will be fully documented and reimbursed within 30 days of submission.

**Appendix B: Airlines currently screening World Business Special Edition**

**World Business Special Edition: 33 airlines**

1. Aer Lingus
2. Air Canada
3. Air China
4. Air India
5. Bangkok Airlines
6. China Airlines
7. Emirates
8. Ethiopian
9. Etihad Airways
10. Eva Air
11. Finnair
12. Garuda Indonesia
13. Hong Kong Airlines
14. Kingfisher Airlines
15. KLM
16. Kuwait Airlines
17. LOT Polish Airlines
18. Middle Eastern Airlines
19. Malaysia Airlines
20. Oman Air
21. Philippine Airlines
22. Qatar
23. Royal Brunei Airlines
24. Royal Jet
25. Royal Jordonian
26. SAS Scandinavian
27. Saudi Arabian Airlines
28. Singapore Airlines
29. South African Airlines
30. Sri Lankan
31. Strategic Aviation
32. Thai Airways International
33. TAP Air Portugal

**Appendix C: Timeline**

<b>July - September 2011</b> <b>Objective: Counter negative media perceptions</b>			
<b>DELIVERABLE CATEGORY</b>	<b>JULY</b>	<b>AUGUST</b>	<b>SEPTEMBER</b>
Strategic Media Advisory and PR	<ul style="list-style-type: none"> <li>▪ Strategic Media Advisory and PR and editorial monthly retainer work: Print/broadcast media coverage in Europe and US.</li> <li>▪ Establish system to provide information, educate reporters and generate more accurate news stories, pitch stories for TV and print.</li> <li>▪ Creation and generation of a daily news summary of key activity in Ukraine, centered on the Tymoshenko trial.</li> </ul>		
Online Strategy	<ul style="list-style-type: none"> <li>▪ Build English and Ukrainian blog teams</li> <li>▪ Start engagement with blogosphere centered on the Tymoshenko trial and EU</li> </ul>	<ul style="list-style-type: none"> <li>▪ Monitor, assess and respond to media reports, blogs and other commentary</li> <li>▪ Produce and disseminate online content based on VY's agenda including EU priorities plus successful implementation of reforms and IMF agreement</li> </ul>	
Media Production			Pre-production for October broadcast
Airline distribution			Advance booking of slot

<b>(October 2011 - January 2012)</b> <b>Objective: Counter negative media perceptions</b>			
<b>DELIVERABLE CATEGORY</b>	<b>OCTOBER</b>	<b>NOVEMBER</b>	<b>DECEMBER-JANUARY</b>
Strategic Media Advisory and PR	<ul style="list-style-type: none"> <li>▪ Strategic Media Advisory and PR and editorial monthly retainer work: Print/broadcast media coverage in Europe and US.</li> <li>▪ Establish system to provide information, educate reporters and generate more accurate news stories, pitch stories for TV and print.</li> <li>▪ Generation of a daily news summary of key activity in Ukraine, centered on the Tymoshenko trial, IMF and EU.</li> </ul>		
Online Strategy	<ul style="list-style-type: none"> <li>▪ Monitor, assess and respond to media reports, blogs and other commentary</li> <li>▪ Produce and disseminate online content based on VY's agenda including EU priorities plus successful implementation of reforms and IMF agreement</li> </ul>		
Media Production	<ul style="list-style-type: none"> <li>▪ 1<sup>st</sup> "World business" report</li> </ul>	Pre-production for December broadcast	<ul style="list-style-type: none"> <li>▪ 2<sup>nd</sup> "World Business" report</li> </ul>
Airline distribution		Reversioning for airlines	<ul style="list-style-type: none"> <li>▪ Airline Distribution of 1<sup>st</sup> and 2nd "World business" reports</li> </ul>